

BEFORE THE

SEP 1 4 1992

Federal Communications Commission FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

In Re Applications of) MM Docket No. 92-114
ROBERT B. TAYLOR) File No. BRH-880926UJ
For Renewal of License for Station WTRU (FM) Jupiter, Florid)) la)
JUPITER BROADCASTING CORPORA	FIOn) File No. BPH-890103MD
For Construction Permit for a New FM Station in Jupiter, Florida)) .)
To: Honorable Walter C. Miller Administrative Law Judge)

TAYLOR REPLY TO JBC OPPOSITION TO MOTION TO ENLARGE ISSUES

Robert B. Taylor, by counsel, hereby replies to the Opposition to First Motion to Enlarge Issues Against Jupiter Broadcasting Corp. filed by Jupiter Broadcasting Corp. ("JBC"). In support thereof the following is stated.

1. The JBC opposition asserts that the gravamen of a real-party-in-interest issue is "the existence of an undisclosed party to an applicant's application." However, the Commission's exploration under such an issue is much broader and looks to the question of whether a purportedly passive person has been active and, thus, will be in a position to control, actually or potentially, the operation of the station. The fact that JBC had revealed its structure and had reported all changes, does not eliminate the real-party-in-

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interest question.

- 2. JBC explains that the activities by Mr. Levine after the formation of the company, all involved representing Phillip Greenberg, who decided to exit the company. Mr. Levine had discussions with Mr. Greenberg, and Mr. Goldberg, and Mr. Potamkin concerning replacing Mr. Greenberg. He provided comments on the drafts of the option agreements, stating that "Usually I did stuff on the phone with the lawyers". He also stated that "I may have helped secure a *** at least written confirmation from a Miami bank that it would be willing to finance the actual construction stage." JBC is silent on these points set forth in the Taylor motion which are activities that go beyond taking steps to replace Mr. Greenberg.
- 3. JBC is also silent on the fact that Mr. Reid showed a lack of knowledge about significant questions. When he was asked what would happen to the 40% of costs over \$240,000 after Mr. Potamkin paid his 60%, Mr. Reid answered, "I don't know". JBC is also silent about the payment of monthly payments to Mr. Reid. There is also no discussion of the options which were designed to take Mr. Reid out of the picture. Further, the Second Revised Shareholders Agreement prevents Mr. Reid, President and 75% voting stockholder from spending more than \$200 without Mr. Levine's consent. Mr. Levine states (Exhibit No. 2) that the JBC structural change making him and Mr. Washington voting shareholders "deprived us of a comparative advantage over Robert Taylor"when the fact is that the change did not deprive them of the ability to claim 75%

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integration credit enhanced by minority status and broadcast experience for Mr. Reid.

4. From December 12, 1988 until May 1, 1991, Mr. Levine was supposed to be

a passive non-voting shareholder. He has never been passive. As pointed out in the

motion, the Review Board in Perry Television, Inc., stated that there is merit to the

argument that failure to disclose that control of an applicant resided elsewhere than in its

nominal voting shareholders amounts to a disqualifying lack of candor, if not outright

misrepresentation".

In view of the foregoing facts, and the facts set forth in the motion to enlarge

issues, the requested issues should be added.

Respectfully submitted,

ROBERT B. TAYLOR

J. Richard Carr

His Autorney

September 14, 1992

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CERTIFICATE OF SERVICE

I, J. Richard Carr, hereby certify that copies of the foregoing <u>TAYLOR REPLY</u> <u>TO JBC OPPOSITION TO MOTION TO ENLARGE ISSUES</u> were sent via first class mail, postage prepaid, or as otherwise indicated, to each of the following on this 14th Day of September 1992 to:

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